



State of Utah

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For Immediate Release

September 9, 2014

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Sharing a Ride, But Not Insurance: Protect yourself as a ridesharing passenger.

Ridesharing services, such as UberX, Sidecar and Lyft, are often seen as a cheaper alternative to taxis. However, there may be gaps in insurance coverage for ridesharing passengers. The Utah Insurance Commissioner, Todd E. Kiser recommends that consumers who are considering using their personal vehicle to give rides to earn extra income, should review the following tips to make sure they are adequately protected.

Understanding Ridesharing

For the purposes of this consumer alert, 'ridesharing' is used to describe the practice of driving for hire using an online-enabled platform to connect drivers—who are using their personal vehicles—with passengers.

Ridesharing uses mobile technology to connect passengers to drivers. Instead of hailing a cab from the curb or calling an 800 number, consumers download an app to their smartphones that allows the customer to request a ride. The app also allows users to get price quotes for their trips, track the driver's location, and to pay their fare using a credit card on file.

These services are provided by transportation network companies (TNCs). The three major TNCs are UberX, Lyft and Sidecar, although more TNCs are joining the market. TNCs allow drivers to use their personal vehicles (with personal lines auto insurance) to transport passengers and earn extra income.

Ridesharing is Different than Taking a Taxi

Ridesharing is not the same thing as taking a traditional taxi or limousine. Limos and taxis have been licensed by the state and/or local transportation authority to provide a livery service, or to transport passengers for a fee. The vehicles are inspected, and drivers must be properly licensed. Taxi operators are required to have insurance that protects a passenger and third parties, such as pedestrians or other drivers, should the taxi be involved in an accident that causes bodily injury or damage.

In many states, TNCs are not subject to the same licensing and insurance requirements that apply to taxis or limousines. However, as ridesharing becomes more popular, state insurance regulators and legislatures are taking action and working with the TNCs to ensure consumers are adequately protected.

Protect Yourself as a Passenger

Before using a ridesharing service, it is a good idea to research the companies that are operating in your city. Find out what insurance policies the TNC has to protect drivers and passengers, and

Please note: Agency hours are 8am-5pm, Monday-Friday.

how much liability coverage those policies offer. This information may be available on the TNCs' websites.

If you are concerned that a TNC may not have adequate coverage, talk to your insurance provider. Your personal auto policy will likely provide you with some coverage when you are a passenger. If you do not own a car, you might consider purchasing a "named non-owner" policy, which provides coverage for you above any insurance the vehicle's owner may have. If the owner is uninsured, or has low limits of liability, this type of policy can protect you as a passenger. These policies include protection for bodily injury or property damage, medical payments, and uninsured/underinsured motorist. In certain no-fault states, they may also include personal injury protection (PIP). Check out [Insure U](#) for help understanding the different types of auto insurance coverage.

More Information

Contact the [Utah State Insurance Department](#) to find out how it is handling matters involving ridesharing. You can also learn more about Utah requirements for personal auto insurance.

For more information about your insurance needs and tips for choosing the coverage that is best for you and your family, visit [Insure U](#).

SEPTEMBER 2014